Economic Development

ANNUAL REPORT 1984/85

ECONOMIC DEVELOPMENT
AND TRADE

Office of the Minister

407 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2134

June, 1986

Hon. Dr. David J. Carter
Office of the Speaker
Legislative Assembly of Alberta
Room 325, Legislature Building
Edmonton, Alberta
T5K 2B7

Dear Sir:

We have the honour to present the annual report of Economic Development & Trade for the fiscal year ended March 31, 1985.

Respectfully submitted,

Larry R. Shaben
Minister

Alberta
ECONOMIC DEVELOPMENT

Office of the Minister

320 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2134

Hon. Gerard J. Amerongen
Office of the Speaker
Legislative Assembly of Alberta
Room 325, Legislature Building
Edmonton, Alberta
T5K 2B7

March, 1986

Dear Sir:

We have the honour to present the annual report of Alberta Economic Development for the fiscal year ended March 31, 1985.

Respectfully submitted,

Hugh Planche
Minister
Economic Development

Horst A. Schmid
Minister
International Trade

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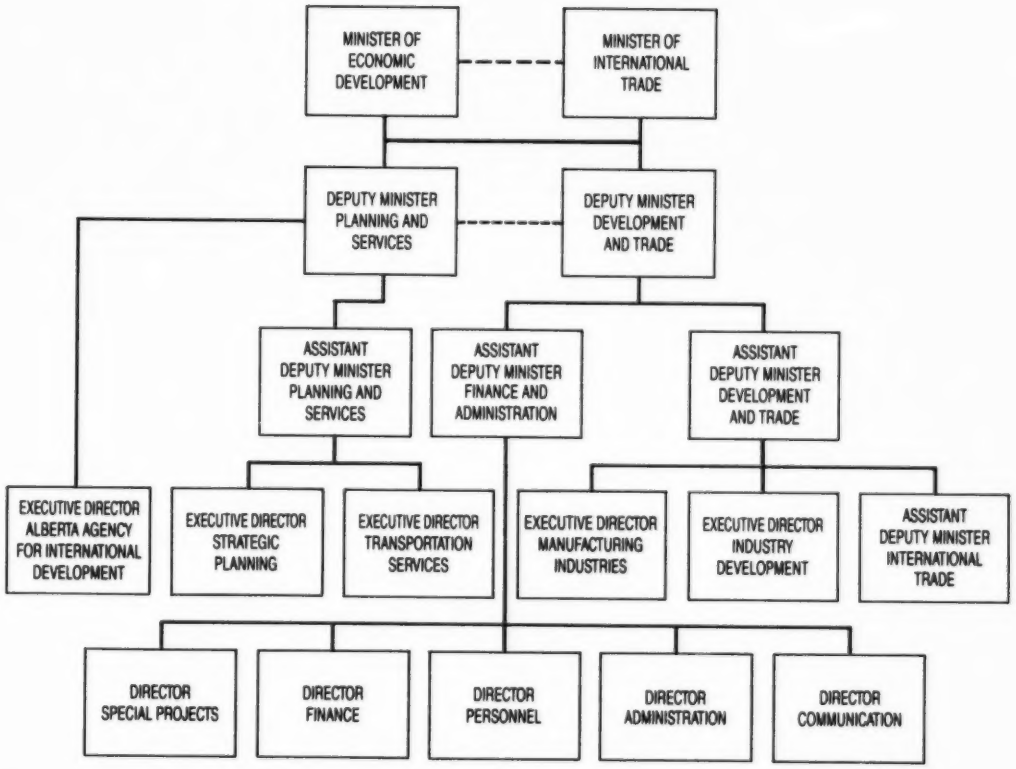
Organization Chart


MINISTER OF ECONOMIC DEVELOPMENT
MINISTER OF INTERNATIONAL TRADE
DEPUTY MINISTER PLANNING AND SERVICES
DEPUTY MINISTER DEVELOPMENT AND TRADE
ASSISTANT DEPUTY MINISTER PLANNING AND SERVICES
ASSISTANT DEPUTY MINISTER FINANCE AND ADMINISTRATION
ASSISTANT DEPUTY MINISTER DEVELOPMENT AND TRADE
EXECUTIVE DIRECTOR ALBERTA AGENCY FOR INTERNATIONAL DEVELOPMENT
EXECUTIVE DIRECTOR STRATEGIC PLANNING
EXECUTIVE DIRECTOR TRANSPORTATION SERVICES
EXECUTIVE DIRECTOR MANUFACTURING INDUSTRIES
EXECUTIVE DIRECTOR INDUSTRY DEVELOPMENT
ASSISTANT DEPUTY MINISTER INTERNATIONAL TRADE
DIRECTOR SPECIAL PROJECTS
DIRECTOR FINANCE
DIRECTOR PERSONNEL
DIRECTOR ADMINISTRATION
DIRECTOR COMMUNICATION

Alberta
ECONOMIC DEVELOPMENT

Report from the Deputy Ministers

The recent period of economic readjustment has resulted in a significant challenge to all branches of Alberta Economic Development.

The residual effects of the economic downturn are still being felt in some sectors; while others are experiencing the effects of a renewed sense of optimism in the Alberta economy. The challenge created for Alberta Economic Development by these diverse circumstances and requirements has been an exciting one to meet.

The department has responded in a variety of ways. There has been an increased emphasis on working with various industrial and manufacturing sectors to meet their needs.

In this area, industrial diversification towards high technology industries has increased in significance and importance.

Increased export activity has been another priority for the industrial and manufacturing sectors. During the reporting period, announcements were made of the Export Services Support Program and the Loan Guarantee Program for Alberta Exporters. Both these programs are designed to assist Alberta businesses in becoming more competitive in the national and international export markets. These are only two examples of the commitment to the continued development of industry in this province.

In the area of International Trade, a new, aggressive stance has been taken by Alberta manufacturers. They are taking advantage of all opportunities to distribute increasing products, services and technology beyond the borders of this province.

During the past 12 months, a significant amount of activity has taken place in planning for innovative transportation services to meet the increasing needs of Alberta industry. The groundwork was laid for the operation of the Prince Rupert Grain Terminal and the new Container Distribution System, both of which can be considered breakthrough developments in this critical segment of the Alberta economy.

In all these activities, the department works in close cooperation with private industry and the universities to increase the research and development opportunities and advancements for Alberta companies.

Alberta Economic Development is committed to better meeting the constantly changing needs of the marketplace. Its role and functions are continually evolving. Its commitment to sustained economic growth and increased employment opportunities is also of paramount importance.

The past 12 months have been an exciting time for Alberta Economic Development. All branches of the department have worked hard to meet the various challenges presented to them; and will continue to do so in promoting Alberta and Alberta industry in the province, across the country and around the world.

Dallas J. Gendall Clarence J. Roth

Development and
Trade Division

International Trade

Industry Development Branch

Manufacturing Industries Branch

Development and Trade Division

The Development and Trade Division is made up of three branches: International Trade, the Industry Development Branch, and the Manufacturing Industries Branch. The division also maintains international offices in London, England, and in Los Angeles and Houston in the United States.

The division supports the economic development of Alberta by assisting in the development and expansion of Alberta companies, by stimulating new investment, enhancing the performance of the various industrial sectors, and by assisting Alberta companies to market their goods and services outside the province.

International Trade helps the manufacturing and services sectors to expand trade outside the province by identifying specific export markets and projects, foreign joint ventures, and licensing opportunities. The branch's activities include the coordination of Alberta participation in national and international trade shows, and the organization of missions by Alberta firms to foreign markets. The branch also helps foreign trade missions and companies that are visiting Alberta or that seek information on the province.

The Industry Development Branch supports the province's industrial sectors, particularly those areas that have export potential. The branch concentrates on the development of the film industry and industries in the high technology sector; and on the establishment of the province as a centre for research and development. Alberta industrial development opportunities are identified, and investment from foreign and domestic sources is encouraged.

The Manufacturing Industries Branch assists the chemical, petrochemical, energy, food processing, forest products and engineering and construction sectors. Emphasis is placed on industries that have opportunities for export development. Joint ventures and direct investment from both foreign and domestic sources are encouraged by this branch.

Reports from each of these branches follow.

International Trade

As a result of International Trade initiatives, 1984 was a record year for Alberta exports and additional sales for Alberta companies.

The value of Alberta exports in 1984 was an estimated $13.02 billion, an increase from $11.4 billion in 1983. This new figure accurately represents the mood of confidence experienced by some businesses as productivity increased and the competitive spirit was renewed.

Primary resources continued to be the leading export item, accounting for $6.7 billion or 51.5 per cent of the total. Manufactured products accounted for $2.8 billion (21.5 per cent), followed by agricultural products at $1.8 billion (13.8 per cent) and invisible exports at $650.2 million (5.0 per cent).

Of the province's total exports, most went to the United States; these accounted for 76 per cent of the export market. The next most important export destination was the Pacific/Asia area, which makes up 10.2 per cent of the market.

Reports follow from each of the operating sectors into which the branch is organized.

Pacific Asia Sector

Sales activities in the Pacific Asia geographic area continued to show promise during the reporting period. This activity included sales of drilling and workover rigs to Australia, oil and gas equipment to India, a seismic feasibility study for Burma, log homes to Japan, warehouse dock levelers to Singapore and aerial surveys in Thailand.

Activity involving Alberta manufacturers in the People's Republic of China also increased significantly. Some sales successes included the sale to the Ministry of Petroleum of

acidizing and fracturing equipment and other oilfield related equipment, as well as seismic computer software. The People's Republic of China is beginning to recognize that Alberta is a viable alternative in sourcing oil and gas equipment and services.

This increased sales activity to Pacific Asia brought the 1984 total of contracts signed, assisted by International Trade, to over $61.5 million.

Africa Sector

The mini-mission program of the Africa Sector resulted in nine Alberta firms pursuing sales in east Africa. Alberta companies reported contracts signed for $6.6 million for a range of products from business machines, grain dryers and fire fighting equipment to consulting contracts, seismic exploration, surveying and mapping and a water study.

Middle East Sector

The Middle East Sector actively initiated and sponsored two seminars on "How To Do Business with ARAMCO in Saudi Arabia" and one seminar on "Canadian Trade Opportunities in the Arab World."

Contracts were signed for drilling equipment and replacement parts, thermal electric parts and voltage filters, with total sales of over $24 million for the period.

Special Projects Sector

The Special Projects sector assisted in the development of private and public sector consortium proposals to deliver oil and gas training in energy developing countries. Contracts were signed for oilfield training programs with The People's Republic of China, Pakistan and Thailand for a total of $10.8 million.

Proposals for middle and senior management training in the oil and gas sector program for Bangladesh were also developed. World Bank funding of $1.5 million will be utilized for these services. Albertans were the first Canadians to offer this type of training to Bangladesh.

An oil and gas/educational Ministerial Mission to the Middle East provided an opportunity for collaboration between education institutions and training services for the major oil companies. The Bahrain National Oil Company made a return visit to investigate training availability from Alberta. ARAMCO, the National Oil Company of Saudi Arabia, spends $160 million each year in education and training for their staff members. It is hoped the company will look to Alberta for a great deal of this training.

Special Projects coordinated the Alberta government's participation in "Marketplace '85", during which 43 foreign trade commissioners visited Edmonton and Calgary. They completed over 350 interviews with Alberta private sector companies interested in trade opportunities around the world.

Twenty-three students from eight countries attended the Summer Institute for Petroleum Industry Development at the University of Alberta. This is the second successful year for this six-week course in oil and gas technology for middle and senior management.

Canada Sector

The Canadian sector was successful in encouraging first-time exporters to market Alberta products into all other parts of Canada.

During the reporting period, the sector assisted Alberta companies to complete shipments to other provinces totalling more than $56 million in confirmed sales. This total included:

— Twenty-seven Alberta companies participated in the third mini-mission to Newfoundland and Nova Scotia. These companies reported anticipated sales contracts totalling $18.9 million.

— Two incoming furniture buyers' missions from major Canadian department stores saw the placement of over $7 million of immediate orders with Alberta furniture manufacturers.

— Twenty Alberta companies participated in the second mini-mission to Montreal resulting in confirmed sales orders totalling $1.1 million.

— Successful contracts of $5.3 million were confirmed for the supply of helicopter service in Newfoundland by a Calgary supplier.

— One major oil company in Nova Scotia concluded a supply vessel contract for over $2 million with an Alberta supplier.

During the same period, this sector handled an incoming pipeline buyers' group from New Brunswick as well as buying groups from two major shipbuilding companies from Quebec. These visits resulted in over $3 million in sales for Alberta companies.

The Market Development Assistance Program continued to assist Alberta companies to expand into new market areas. During the fiscal year ending March 31, 1985, 369 applications were processed, representing an increase of 80 per cent over the previous year.

The Market Development Assistance Program provides assistance to Alberta businesses by sharing the financial risks of entering new markets to export goods and services.

The program is not meant to support normal export business activity, maintain existing markets, or to obtain new business in a market area where the company is already established.

United States Sector

The United States is Alberta's most important market for exports of products and services. Emphasis by the U.S. Sector over the past fiscal year was geared to assisting first-time exporters entering the U.S. market.

In coordination with the government's International offices in Los Angeles, California and Houston, Texas, over 600 Alberta companies were assisted in marketing to the United States.

Outgoing ministerial missions, mini-trade missions, trade shows and incoming buyers' missions all played an integral part in promoting Alberta companies marketing manufactured products and services to the U.S.

In conjunction with Canadian Consulates, this sector completed a number of projects to assist Alberta companies. One example of this cooperation was an incoming lumber buyers' mission from the southeast United States. This mission culminated in multi-million dollar sales for Alberta companies.

The traditional western United States markets were a target for a majority of Alberta companies. However, there is increasing interest by many companies in exporting to the "Sunbelt" States. The U.S. Sector was active in developing new relations with the State of Florida to enhance Alberta trade in this region.

Overall, the U.S. Sector was responsible for generating a total of $83 million in sales for Alberta companies during the period.

Latin America and Caribbean Sector

Alberta continued to actively participate as a supplier of equipment, services and technology in the development of resource industries in Latin America and the Caribbean.

During the reporting period, there were seven mini-missions and five sales missions into Latin America to introduce new Alberta products. International Trade assisted in the export of such Alberta technological innovations as sloped bin grain storage and handling facilities to Brazil; and slant drilling rigs, service rigs and related production equipment to Venezuela.

New market opportunities were identified in Bolivia, Guatemala, Chile and Columbia, and initial sales contracts have been signed.

There were approximately 50 incoming buyers from Mexico, Venezuela, Trinidad and Tobago, Barbados, Argentina, Chile, Bolivia, Peru, Ecuador and Columbia. These followed trade missions and resulted in signed sales contracts.

An agreement was reached between the Alberta government and the Houston purchasing office of Mexico's national petroleum company (PEMEX). This will encourage the increased participation of Alberta companies in the supply of equipment, service and technology to the Mexican petroleum industry.

As a result of the efforts made by the Latin America sector, Alberta companies experienced an increase of over 400 per cent in sales, to approximately $40 million during the 1984-85 fiscal year, from about $10 million during the previous year.

Alberta companies continued to export increased volumes of oil exploration and production equipment to Trinidad and Tobago and Barbados. There is further potential for the sale of land-based slant hole drilling facilities to Trinidad.

The Alberta government also assisted in joint ventures between Alberta and foreign companies to develop hotel, recreation complexes and urban renewal projects in the Caribbean. The Alberta government provided assistance in the preparation of proposals for new sources of financing through Canadian financial and other institutions. This is a new initiative to help diversify Alberta's export products and services.

Europe and U.S.S.R. Sector

The Europe/U.S.S.R. sector continued to pursue trade opportunities for Alberta companies during the period.

During the reporting period, Alberta companies signed sale contracts worth over $162 million for a wide range of products, services and technology. Sales to the U.S.S.R. accounted for a large percentage of this total and included tracked-vehicle and spare parts packages. Through a joint venture agreement between an Alberta company and its Soviet counterpart, 70 ton vehicles will be designed and assembled in the U.S.S.R. This is the first agreement of its kind. Negotiations for the two-way exchange of expertise in arctic and residential housing were initiated and new market opportunities in Europe were identified for Alberta technology.

The North Sea was identified and evaluated as a significant growth market for Alberta expertise in the oil and gas industry. Sales of $11.3 million were reported during the 1984/85 fiscal year.

Opportunities are being explored for joint ventures between Albertan, French, Italian and British companies to sell to third party countries. Finland, West Germany and Hungary continue to be pursued as markets with opportunities for significant sales potential for Alberta products. These opportunities will continue to be actively followed through trade missions and incoming buyers' missions.

Trade Promotion Sector

This year saw a renewal of interest by Alberta companies in trade show participation, particularly in offshore markets. This sector participated in 16 major international trade shows and fairs. These included seven energy

related shows, four farm equipment shows, one apparel show, one equestrian event and three fairs covering a broader range of industries.

One of the highlights of 1984-85 was the GREAT TRADE SHOW AND CULTURAL EXPOSITION OF CHINA held in Edmonton, Alberta.

Mission Coordination Sector

This sector coordinated activities for 193 incoming delegations from 54 countries, 14 more delegations than in the previous year.

Missions from Pacific Asia and Europe and the U.S.S.R. accounted for the majority of the delegations, with a significant number of visits from Latin America and the Caribbean and the Middle East and Africa.

International Finance Sector

During the reporting period, this sector initiated and developed the "Export Services Support Program" to provide funding to encourage Alberta businesses to seek out export opportunities.

The $7 million Export Services Support Program is designed to encourage Alberta business to seek out export opportunities by means of feasibility studies which may eventually lead to contracts for Alberta goods, Alberta services, and Alberta technical expertise.

The Loan Guarantee Program to support Alberta exporters was also developed and implemented during the reporting period.

The program provides support to Alberta based businesses, by means of Government guarantees of loans made by financial institutions. This enables the business to be more competitive in obtaining export sales internationally, nationally, or within the Province, when competing with bidders outside Alberta.

Several presentations were arranged to inform Alberta companies of the services and funding available from international financing institutions such as the World Bank, the Asian Development Bank, the Inter-American Development Bank, the African Development Bank, the United Nations Development Program, the Export Development Corporation, and the Canadian International Development Agency.

Alberta companies obtained assistance from these agencies for projects in numerous countries, including Trinidad, Bangladesh, the Bahamas, China, Pakistan, India, Singapore, Malaysia, Hungary, Peru and Nigeria. A wide spectrum of services and products from Alberta were represented, including those for oil and gas exploration, drilling, production, processing and transmission, engineering, consulting, agriculture, reforestation, petrochemical, aerial surveying, and construction.

Industry Development Branch

The role of the Industry Development Branch is to enhance the performance and development of the electronics, telecommunications, computer software, health care and other high technology sectors, and the film industry. The branch works with financial institutions, venture capitalists and other investors in identifying development opportunities and in encouraging foreign investments to broaden the economic base of the province.

Such activities include counselling industry in matters such as site location, sources and use of financing, business planning, government (federal, provincial and municipal) regulations and services, and sources of market data.

Branch staff propose alternative sector development strategies that will result in the expansion of key industry sectors; and implement and operate the Government of Alberta's industrial development policy. They identify sector opportunities and stimulate action to realize those opportunities by causing new investment, both domestic and foreign, with an emphasis on joint ventures involving Albertans.

The branch provides a coordinating and catalytic linkage between industry, investors and the financial community; and between the academic and government, scientific and engineering community and industry, with an emphasis on commercialization of technology.

The branch assists industry by developing marketing strategies, proposing programs and identifying market demand factors; and provides assistance to elected officials on industrial and technical matters.

High Technology Section

The objective of this section is to encourage research and development in high technology industries and to encourage growth in the industry as a whole. By working closely with industry, universities and government, technology transfers, productivity improvement and cooperative research projects are encouraged. Advice and assistance are provided on high technology opportunities and government support programs.

In the field of advanced electronics, four major initiatives were announced during the reporting period.

An **Electronics Products Test Centre** is operating under the auspices of the Alberta Research Council. **Microchip Design and Fabrication Facilities** have been established to enhance microelectronics development in the province. The facilities will provide a learning centre for the training of future engineers, and microchip design and fabrication for industry.

The **Telecommunications Research Centre** focuses on two major areas of research-fibre optics and computer-assisted design related to microelectronics products and services. An **Electronics Industry Information Centre** will create a computerized information network accessible by Alberta manufacturers of electronics products.

Other major activities included providing $10 million worth of research time to Alberta industry on the University of Calgary's **Cyber 205 Supercomputer.** Assistance was given to industry undertaking high technology initiatives in the areas of electronics, computer-aided design, lasers, telecommunications and software development.

One form of assistance is the Product Development Program, which is designed to help industry develop new products and services. Grants are provided to companies in support of new product development, up to 75 per cent of the design and development costs. A range of new products was developed during the period, including a new line of winter ski wear, an airway incubator, an icemaker for curling ice and a dryer for nut meats.

Staff in this section were involved in cooperative efforts with other public agencies pursuing high technology initiatives, including support for research parks, incubator facilities, entrepreneurial development programs, and the Alberta Research Council's joint venture program.

A program for entrepreneurial development at the Universities of Alberta and Calgary was assisted during the period. The program brings together graduate business students and entrepreneurs, in an arrangement which helps both. The students get experience in developing business plans for real products and processes, and the businessmen get help with starting up new products. The program, in its second year during the period, has led to the development of new products and new Alberta businesses.

During the reporting period, one staff member was on secondment to the University of Alberta Office of Research Services. This role was to assist both the university community and industry; by making industry more aware of the technology available from within the university and by making the university aware of the various industrial applications of technology.

In cooperation with international research centres and health care manufacturing companies, staff endeavored to identify projects for medical-related research and development activity and investment in Alberta.

Investment Promotion Section

The objectives of this section are to attract foreign investment to Alberta through joint venture or licensing agreements with Alberta companies, and to attract direct capital investment in new or expanding industries.

While the major emphasis was on foreign investment, initiatives were undertaken to identify, encourage and match domestic pools of capital to opportunities and entrepreneurs.

Particular attention was given to improving access to risk equity capital by developing companies. In conjunction with the Alberta Securities Commission and the Alberta Stock Exchange, the department investigated ways of building and maintaining a strong capital market. Work with the private sector continued to develop unique methods to raise capital.

Considerable interest in Alberta was attracted by investment missions and seminars in London, England and Stuttgart and Cologne, West Germany. Participation in trade fairs in Hanover, West Germany and San Francisco created a new awareness among international investors and industrialists.

Incoming missions of individual or institutional investors arriving in Alberta were introduced to project developers and entrepreneurs seeking capital and technology.

Film Industry Section

It is the responsibility of this section to initiate and maintain contact with international film producers and production companies, and to promote the production of Canadian and foreign cinema and television films in Alberta.

Some activities, such as location scouting for producers, are contracted to the private sector. During production, producers call upon the section for liaison with all levels of government.

Counselling is provided to Alberta film-makers, and the section acts as a link to government for professional photographers and the recording industry.

During the reporting period, part of a major American theatrical motion picture, Natty Gann, was filmed in the Crowsnest Pass area. The Edmonton area was the chosen location for Canadian theatrical films, Isaac Littlefeather and Birds of Prey.

Television productions during the period included an hour length drama, Bridge to Terabithia; and a pilot film for a proposed series, Wildcat. Karvenon Productions of Edmonton produced 13 - 30 minute wildlife television shows, and Calgary's CFAC-TV produced 13 - 30 minute television programs for export.

Most of these productions were made with assistance from the Alberta Motion Picture Development Corporation, which provided pre-production funding.

International Offices

During the reporting period, trade activity continued through the three International Offices associated with the department.

LOS ANGELES

During the year, there were five ministerial missions to Los Angeles. In addition, 16 trade shows and conferences were attended either with, or on behalf of, Alberta companies. Besides the ministerial missions, there were five missions from Alberta.

The Los Angeles office was involved in organizing four seminars. Two took place in Alberta (one in Edmonton, one in Calgary) to assist Alberta companies in their marketing endeavours in the California offshore petroleum markets. Two industrial development seminars took place in California, one in Orange County and one in Los Angeles.

HOUSTON

More than ever, the Texas oil and gas community looks upon Alberta as an attractive investment opportunity. The Houston office is actively promoting these opportunities throughout the Southwest United States.

Because of its position as oil capital of the world, many international contract requirements representing China, Saudi Arabia and Latin America originate in Houston. The Houston office actively pursued the opportunity to include Alberta manufacturers in these contract inquiries. During the reporting period, the office coordinated four ministerial visits, representing three different Alberta government ministers.

LONDON

This office coordinated 11 ministerial missions to London and to Europe. Seven presentations on Alberta were held in the London office and in June 1984, a London Seminar was organized and hosted by Alberta House.

The office represented Alberta at five trade shows and at five meetings of the European Atlantic Group. During the course of the year, the office worked with six European companies establishing businesses in Alberta.

The London Chamber of Commerce held 12 meetings at Alberta House with the objective of promoting investment and business interest in Alberta.

Manufacturing Industries Branch

The role of the Manufacturing Industries Branch is to enhance the performance and development in Alberta of industries in the following sectors: Chemicals (including petrochemicals); Plastics, Rubber and Textiles; Processed Food Industries; Furniture and Consumer Products; Forest Industries; Industrial Products; Energy, Metals and Minerals; and Engineering and Construction.

This is accomplished by identifying opportunities for investment and growth and by encouraging local, national and international investment.

Staff counsel industry on such matters as site location, sources and use of financing, business planning, government (federal, provincial and municipal) regulations and services, market data sourcing and technical and production problems.

The branch is involved in proposing sector development strategies that will result in the expansion of key sectors, and in implementing and operating the government's industrial development programs as they relate to the branch's area of responsibility.

The branch fulfills a coordinating and catalytic role between industry, investors and the financial community; and a catalytic role between the academic and government, scientific and engineering community and industry, especially on matters related to the commercialization of technology.

The branch is responsible for implementing the Alberta/Canada content policy on industrial projects and for implementing the Government of Alberta's Accelerated Program of Support for Alberta Companies.

Other branch activities include providing assistance on business and technical matters to ministers and other branches of the department; and to other government departments on matters relating to business and industrial sectors. Branch staff also assist Alberta companies on missions, trade fairs and related activities.

The branch is divided into various sections, each of which is responsible for a specific manufacturing sector. Their reports follow.

Industrial Products Section

During the reporting period, this section was involved in over 500 meetings with companies, associations and investors wishing to expand or establish business in Alberta. There were varied results from these meetings, which covered the development of manufacturing opportunities, plant expansions and product diversification.

There was significant investment in plants to produce casing and tubing, valves, beverage can containers and a new gas engine. A major plant expansion took place in order to manufacture cryogenic tanks for local and export markets.

New products developed during the period included a special trencher to meet local conditions, a universal flow meter, a new pump jack, filters for oil well service and 12 innovative agricultural implements and attachments.

Two companies acquired licenses to manufacture air coolers and thermal generators; and a study on manufacturing opportunities for investment castings was completed during the period. The section made several visits to companies in eastern Canada and the western United States, which generated interest in investment in Alberta from two major companies.

Chemicals Section

During the reporting period, this section developed a program to provide equal access to supplies of market-priced natural gas for Alberta's ethane-based petrochemical industry. This is an advantage enjoyed by other large gas consumers in Alberta. The program greatly enhanced the competitiveness of the industry.

Continued involvement by this section in the issues of property taxation of heavy industry and electrical power rates led to changes in the legislation beneficial to Alberta industry.

During the period, new petrochemical facilities valued at $2.1 billion were started up in the province. The section provided assistance to the companies involved, as required.

An integrated package was developed to promote petrochemical investment opportunities in Alberta. The package included a film and detailed compilation of pertinent investment information. The materials were used in a seminar presentation to 70 senior petrochemical executives in Houston, Texas in March 1985.

Specialty chemical investment information packages were developed and used by the section in meetings with companies active in the field, and at a major conference on specialty chemical investment opportunities.

Section staff participated in an intergovernmental task force evaluating future options for Canada's petrochemical industry and in a public/private sector initiative to establish petrochemical investment links with the People's Republic of China.

Energy, Metals and Minerals Section

This section took part in the work of the Alberta/Ontario Coal Marketing Task Force. The task force's activities have already led to incremental coal sales to Ontario and to a further study to determine economic and environmental benefits associated with Alberta's low sulphur coal.

Commercial development of heavy minerals was encouraged by working directly with three interested companies; work with other companies involved evaluating investment opportunities in the primary metals and manufactured goods areas.

A government Alternate Fuels Task Force was established as a focal point for data collection. This took place as part of continuing liaison with refiners, methanol producers and other governments concerning industry efforts to introduce methanol-gasoline blends.

Forest Industries Section

During the reporting period, several projects were completed, including a study on Log and Pulp Chip Transportation in Alberta and the publishing of a Consulting Foresters' Directory. Two projects were developed under contract: a sawmill improvement model capable of analyzing modernization options for Alberta mills and the evaluation of a proposed chemi-thermal mechanical pulp and paper complex.

Seminars were held in Korea and Japan on Alberta's forest products and manufactured housing opportunities. Efforts to promote manufactured housing exports to Korea resulted in at least one joint venture. The section was also invited to participate in an industrial mission to the U.S.S.R. to view the Soviet forest industry.

The section assisted in the drafting and development of standards for a waferboard/oriented strandboard to meet Canadian Standards Association requirements.

Other major activities included assisting both primary and secondary forest products industries with potential opportunities for development; and promoting investment by meeting with individual companies and incoming missions.

Engineering and Construction Section

During the reporting period, this section worked with industry to identify opportunities for sector firms in Alberta, provided advice and assistance on the diversification and development of the sector, and encouraged licensing agreements and joint ventures to enhance the transfer of technology to Alberta. As part of this function, an Index of Alberta Consultants was produced.

Through continued administration of the Alberta Content Policy, the section encouraged the maximum use of Alberta goods and services on industrial projects. This involved over 30 projects and a total of more than $17 billion.

The activities of Alberta's heavy oilsands projects provided potential industrial benefits for Alberta firms, which the section attempted to maximize.

Engineering and construction firms provide goods and services to the Alberta government on a regular basis. They were assisted by this section, in liaison with other government departments, as were an increased number of firms under the Accelerated Program of Support for Alberta Companies program.

As part of its continuing effort to ensure Alberta firms and consultants receive maximum benefit from provincial and federal projects in Alberta and across the country, the section took part in Alberta Environment's consultants' evaluation committee for the Oldman River Dam Project.

Staff also took part in the Cold Regions Technology mission to Hokkaido and Heilonjiang, to identify possible areas for commercial interaction.

Food Processing Section

One of the major activities undertaken by this section was a series of visits to food processing companies in Europe, the United States and Canada, to encourage new investment in the Alberta industry. Specifically, a major seminar on investment opportunities was presented to several Swiss companies.

Prospective investors included a German winery, a juice concentrate company from Denmark, a Swedish crisp bread manufacturing company and a natural foods processing company from the United States. A number of other companies from Europe visited Alberta during the period to investigate investment opportunities.

The section also worked with existing Alberta establishments on projects and plant expansions already underway. These included a specialty cheese processing plant and a sausage plant. Other expansions took place in the areas of vegetable oils, pet foods and salad dressings. Test market studies during the period covered snack foods and confectionery items.

The development of a major industrial food park in Alberta was encouraged, based on the findings of a consultant's feasibility study. A consortium of private sector companies is investigating the opportunity.

Staff took part in an interdepartmental committee for renewing and expanding the Nutritive Processing Agreement. Other provincial government departments included Alberta Agriculture, Tourism and Small Business, Federal and Intergovernmental Affairs, and Treasury. During the period, the section also undertook an in-depth review of the development approach for the food processing industry in Alberta.

The Consumer Products and Furniture Section was developed and established during the period and major furniture companies in Alberta were contacted as an initial undertaking. Other activities included initiating a quality assurance consultant study and an industry assistance program, reviewing the export needs of Alberta furniture companies and initiating a review of joint venture and licensing opportunities.

Plastics, Rubber and Textiles Section

At least 25 new projects were in various stages of development during the reporting period. Alberta companies were assisted in searches for new markets, and acquiring new technology, as well as with finding project funding. The section was also involved in pursuing import replacement opportunities and export market potentials.

Specific assistance was given to clients involved in a bitumen polymer coatings plant, a compounding of polyethylene, a joint venture with a West German company, and polyurethane boardstock.

Technology transfer missions were undertaken to Finland, Sweden, Britain, West Germany and the United States. These resulted in a number of company visits to Alberta, either for the purpose of new plant location or joint ventures with Alberta companies.

Market identification and feasibility studies were completed for fibrefill insulation products and fibreglass reinforced plastics canal linings. The first study led to a major investment, while the second produced private sector interest in developing a continuously running fibreglass ditch lining machine.

A directory was published, listing warehouse and distribution centres throughout Alberta. These centres handle plastics, rubber and textiles products for which potential import replacement markets exist.

The section also gave seminars to various Chambers of Commerce and local Economic Development Authorities concerning opportunities for manufacturing plastics, rubber and textile products.

Planning and
Services Division

Strategic Planning

Transportation Services

Alberta Agency for International Development

Planning and Services Division

The Planning and Services Division is responsible for research, policy planning, consultation and negotiation in various areas related to the development of Alberta's economy. The division also undertakes research, policy development and projects to see that improvements are made to freight and passenger transportation services.

The division's activities are undertaken mainly by its two branches: Strategic Planning and Transportation Services. The work of the Alberta Agency for International Development also falls within the division's mandate.

During the reporting period, a full range of programs and projects was undertaken. Special emphasis was placed on developments in trade policy, considerations for a revised economic strategy, regulatory reform, and the implications of long-term economic cycles.

Transportation activities of particular note encompassed the areas of grain handling and transportation, container systems, aviation policy and high-speed passenger trains.

In both branches, work on major policy issues continued, much of it involving federal and other governments.

Following are highlights of the work of the Division's two branches and the Alberta Agency for International Development.

Strategic Planning

The fundamental objective of Alberta Economic Development is to implement the economic strategy of the Government of Alberta. The objective of the Strategic Planning Branch is to provide advice on the detailed development of that strategy and the planning direction required for its satisfactory implementation.

The main branch activity is to identify the best avenues for achieving the goals and objectives of the government's economic development policy. As a key technique, the branch looks to the future and assesses the threats and opportunities which await the provincial economy.

Branch staff are responsible for examining the implications of any such threats or opportunities in terms of the province's strengths and weaknesses. Within the department's mandate, staff then advise on the best course of action, prepare policy and strategy recommendations, monitor policy implementation and provide feedback on performance.

The branch is responsible for a variety of principal activities.

In Departmental Planning, the branch works with other department branches to produce annual and long-term statements on concerns that affect the department's mandate and goals. These statements, tied to specific work programs, help steer all branch efforts more precisely. They also serve as the first stage in the budgeting process.

Through Economic and Financial Analysis, the branch maintains the capacity to evaluate the financial status of proposed projects. This includes financial and cost-benefit analyses.

In the area of Program Evaluation, the branch evaluates federal and provincial policies and programs, as well as projects

initiated by other branches. In this role, the branch represents the department on appropriate interdepartmental and federal/provincial committees.

As part of the Information Dissemination function, the branch prepares and delivers business and economic information for and to the private and public sectors. During the reporting period, the branch prepared the following publications: Industry and Resources, Consulting Index, Manufacturers' Index, Country Trade Profiles, Procurement Directory and Alberta Exports 1983.

To exercise its responsibilities, the branch is made up of four directorates: Sectors and Regions, Futures, Domestic Policy and Trade Policy. Reports of their activities during the reporting period follow.

Sectors and Regions

This directorate deals with aspects of economic development that concern objectives and performance. Its responsibilities are to develop the detailed and quantitative measures required to evaluate Alberta's economic development, and to provide the analysis necessary to assess economic prospects and opportunities. Information is also provided that allows the province's economic strategy to develop over time as conditions change.

During the reporting period, the directorate was involved in developing and monitoring policy initiatives to assist and strengthen the private sector in Alberta, and in designing and recommending industrial incentive programs to promote investment.

Investment trends were forecast and monitored for Alberta's manufacturing sector and the section recommended policy initiatives that anticipate future problems. For the province's industrial sectors, research was undertaken with respect to certain growth opportunities, and also with regard to particular structural strengths and weaknesses.

The directorate reviewed industrial location factors important to the province's ability to compete, and recommended remedial action where necessary. It took part in the development of Alberta's energy policy in terms of its impact on industry sectors and on overall economic growth in the province, and in the review of industrial benefit and economic impact issues associated with major development undertakings.

Futures

This directorate monitors and analyzes significant world trends in technology, resources, international trade, finance and demographics as well as trends in social values and institutions which could present threats to or opportunities for provincial economic development.

A set of alternative world economic scenarios has been created by the directorate as a backdrop against which economic development initiatives can be assessed. The scenarios are updated regularly, based on information gained from both published sources and from direct discussions with major research institutes.

During the reporting period, the directorate completed a review of Alberta's science and technology policy and several studies of long term trends in economic development.

Ongoing projects during the period included scanning and monitoring significant trends and events influencing the future course of the economy; assessing various new approaches to studying the future; assessing structural changes in world trade and the implications for the movements of commodities through the West Coast; and a major update and extension of world economic scenarios, to be completed in 1985.

Domestic Policy

This directorate advises which policies, institutions and instruments are most appropriate for a given economic development objective. Improvements to existing policies are considered both from a provincial and a federal/provincial perspective. These considerations include such factors as government regulations, foreign investment, manpower, immigration, procurement, competition, research and development and interprovincial/territorial trade.

During the reporting period, the directorate coordinated analyses of federal industrial and regional strategies and the assessment of their impact on Alberta. It also completed a review of foreign investment applications referred to Alberta by the Foreign Investment Review Agency (FIRA), and completed a review of Investment Canada, the agency that has replaced FIRA.

An analysis was completed of entrepreneurial immigrant cases referred to Alberta by Employment and Immigration Canada.

The directorate developed provincial positions on federal foreign investment policies and procedural initiatives, and on federal immigration policies and their impact on the Alberta economy.

Other significant activities included assessing government procurement policies at both federal and provincial levels; and coordinating departmental activities related to regulatory reform and competition policy.

Trade Policy

Recognizing the importance of trade to the Alberta economy, this directorate evaluates trends in world trade and assesses the impact of provincial, national and international legislation, programs and policies on Alberta trade.

One of its prime functions is to ensure the coordination of trade policy among Alberta government departments. This involves providing policy recommendations to ministers, and monitoring trade policy initiatives of other departments to ensure they are consistent with Alberta's overall trade policy.

During the reporting period, the directorate drafted and coordinated a work plan for a Western Provincial Cooperation in Trade Program, which will be implemented during 1985-86. A recommended Alberta position on free trade talks between Canada and the United States was also developed during the period.

The directorate acted as secretariat to the Interprovincial Deputy Ministers of Trade, which is chaired by the government of Alberta; and as secretariat to a committee on Canada/United States Trade Relations. This latter activity included coordinating and developing position papers, covering such topics as world trade outlook for the next five years.

In cooperation with the departments of Federal and Intergovernmental Affairs, Agriculture, and Tourism and Small Business, an international marketing strategy for Alberta was drafted and coordinated.

The directorate prepared the drafts of the document Free Trade with the United States: An Alberta Perspective, which was tabled at the First Ministers' Conference on the Economy in Regina, in March 1985.

The directorate was also involved in coordinating Alberta's position in the upcoming round of Multilateral Trade Negotiations.

Transportation Services Branch

In a time when Alberta's resources and manufactured goods are facing increasing competition in the marketplace, special attention must be paid to providing an efficient transportation system for them. The mandate of the Transportation Services Branch is to ensure the availability of an adequate transportation infrastructure and services to meet those needs. In view of the export orientation of Alberta industries and the long distances products must be transported to reach their markets, the provision of this infrastructure and provision of services are of vital importance.

The key objectives of the Transportation Services Branch are to ensure that infrastructure planning and maintenance will meet Alberta's requirements, and that passenger and freight services will adequately meet present and future requirements on an economic basis; to make recommendations on transportation policies and regulations to assist industry in keeping transportation-related costs and obstacles to a minimum; and to encourage innovation in the transportation system in order to better serve existing and new markets.

The branch maintains ongoing contacts with industry, municipalities and counties, and providers of transportation-related facilities and equipment, as well as with provincial, federal and foreign government officials. The worldwide character of Alberta's trading patterns also requires the monitoring of national and international trends and developments in transportation-related matters.

The changing legislative environment under which transportation functions take place includes the implementation of the Western Grain Transportation Act (WGTA), and an increasing environment of deregulation in the United States, which has influenced the Canadian situation.

In order to provide support to Alberta industries and to take advantage of the changing regulatory environment, the branch undertook policy reviews and services analyses, and also initiated a number of innovative projects.

Reports follow from each section of the Transportation Services Branch: Transportation Economics and Analysis, Freight Transportation Services, Agricultural Transportation and Passenger Transportation.

Transportation Economics and Analysis

This section specializes in transportation policy analysis and in the price and cost structures of the various modes, especially rail. The major issues addressed this year were:

WESTERN GRAIN TRANSPORTATION ACT

The department continued to support Alberta grain shippers by participating in the ongoing resolution of grain transportation problems. This year the province participated in Canadian Transport Commission hearings on incentive rates and grain dependent lines issues.

NATIONAL TRANSPORTATION ACT (NTA)

The federal government has proposed a number of changes to the NTA. Among those dealt with by the branch were confidential contracts for both transborder and domestic rates, changes in legislation to allow railways to compete on freight rates and modifications to permit easier movement of cars loaded on one railway by the other. A major theme of both these briefs was support for shippers captive to the rail mode and to one carrier.

COST OF CAPITAL INQUIRY

The section represented Alberta in preparing the case of the 10 provinces before the Canadian Transport Commission inquiry into railway capital costs. This hearing dealt with both how much the railways should be paid for capital and how much capital they require.

FOREST PRODUCTS STUDY

In conjunction with the Forest Industries Section, two major studies were prepared on the cost of transportation in that sector of Alberta's economy. One study dealt with the cost of shipping raw materials, like wood chips and logs. The second study dealt with the transportation of finished products, including lumber.

DEMAND STUDY

An update of the 1980 study of westbound transportation demand was conducted during the year.

Freight Transportation Services Section

The section maintains close liaison with Alberta industries, and the various transportation sectors servicing those industries. This is to ensure the continued availability of a high level of transportation services to meet market demands.

PRINCE RUPERT GRAIN TERMINAL DEVELOPMENT

The branch continued to work with Prince Rupert Grain Ltd. on the completion of the new grain terminal in Prince Rupert, B.C. The facility, one of the most efficient grain terminals in the world, will be able to receive, clean and store grain in a coordinated, continuous manner. The project, at an estimated total cost of $287 million, was officially opened after the end of the reporting period. Eighty per cent of the financing was provided by the Alberta Government with approximately half this amount provided from the Alberta Heritage Savings Trust Fund. The terminal will have an initial throughput capacity of 3.5 million tonnes and will increase West Coast grain handling capacity by 20 per cent.

ALBERTA CONTAINER DISTRIBUTION SYSTEM

Following approvals in the previous year, the development of the Container Distribution System was completed and prepared for Cabinet consideration. Rate and service levels were negotiated with CP Rail, and all elements of the proposed system were discussed. The system, when implemented, may provide Alberta exporters with reductions in inland transportation costs by 20-30 per cent. The establishment of the system was announced after the end of the reporting period.

PHYSICAL DISTRIBUTION PROGRAM

Physical Distribution includes a number of major cost items in the sales/distribution requirements of industries, including transportation, customer service, inventory, and warehousing. Many small businesses do not have the in-house expertise required to ensure that the "least cost" alternatives to physical distribution can be employed. To assist these suppliers, a Physical Distribution Advisory Program was developed, designed to assist participants in improving their cost and distribution techniques. Successful introduction seminars were held in Lethbridge, Calgary and Edmonton.

PIPELINES

Recent developments in the pipelining of coal/water fuels were closely followed. In cooperation with industry, Alberta Energy and Natural Resources, the Alberta Research Council and the Federal Government, the branch pursued opportunities to develop

coal/water fuels as a substitute for traditional fuels. The continuing work in this area will enhance Alberta's position as a supplier of coal to world markets.

EXPORTERS' SEMINARS

The complexity of dealing in world markets created the need for better information for Alberta exporters. To provide a better understanding of some of the issues involved, specifically with regard to marine transportation, seminars on marine transportation were held in Calgary and Edmonton. The seminars were well attended and provided the participants with the setting to learn not only about current activities, but to establish direct contact with acknowledged leaders in marine transportation.

Agricultural Transportation Section

The prime function of this section is to advise on the formulation of policy related to agricultural transportation issues. Responsibilities of the section include liaison with private sector organizations and other government departments and agencies, analysis of current and proposed agricultural transportation policy and monitoring of related policy matters.

WESTERN GRAIN TRANSPORTATION ACT: METHOD OF PAYMENT REVIEW

A Committee of Inquiry on Crow Benefit Payment undertook a year-long review of how government funds in support of western grain transportation should be expended. This section participated in the review process in an attempt to bring about a Crow Benefit payment system which would allow for diversification and value added agricultural activity in Alberta. Activities included analysis of the alternative methods of payment and preparation of a submission to the Committee of Inquiry. The submission recommended that making Crow Benefit payments to the producer would be most conducive to agricultural development and grain transportation system efficiency.

WESTERN GRAIN TRANSPORTATION ACT: ALBERTA'S GRAIN TRANSPORTATION SURVEY

During 1985-86 the Federal Minister of Transport must carry out a comprehensive review of the operation and impact of the Western Grain Transportation Act. This section participated in a survey of Alberta farmers which examined the awareness and views of Alberta producers with respect to this legislation. The results of this survey will be used by the province when developing its position during the future review of the Act.

HOPPER CARS

This section administers the use of Hopper Cars financed from the Alberta Heritage Savings Trust Fund. The 1,000 Government of Alberta hopper cars purchased in the early 1980s contributed significantly to reaching the export records which were established in crop year 1983-84. While the cars make up approximately 3.5 per cent of the total grain fleet, the 1.3 million tonnes of grain moved in them represented 4.7 per cent of the total tonnage moved. The slight decrease in tonnage from the previous year was a result of the loss by CP of a share of its grain movement.

Other major activities included: A review of the equine industry in Alberta and preparation of Alberta's Equine Manufacturing and Service Index, 1984; and a study of the potential for application of robotic technology in Alberta's meat packing industry. The analysis and review of grain and oilseed marketing systems and the development of policy position related to transport matters were also completed.

Passenger Transportation Section

This section continued to work toward the improvement and expansion of public transportation services for Albertans and visitors to the province. There was a renewed emphasis on the concerns of users through a proactive role within the industry.

Planning forecasts were prepared to identify future bottlenecks, transportation alternatives and cost-effective solutions for air, rail and bus modes. In addition, this section assessed the opportunities for the introduction of innovative transportation equipment.

CALGARY-EDMONTON HIGH-SPEED RAIL PASSENGER SERVICE

Forecasts of travel demand indicate that a future high-speed rail service will be required to supplement existing air and road capacities. The planning phase of this project was completed in early 1985, demonstrating high-speed rail to be technically feasible, financially viable and attractive to corridor travelers with its faster-than-air travel time which provides downtown-to-downtown service at almost half the fare.

FORT SASKATCHEWAN RAILWAY RELOCATION

Additional studies were completed and negotiations continued with CN Rail to formalize arrangements for relocating the rail line out of downtown, freeing the land for future urban redevelopment.

ALBERTA AIR PASSENGER ORIGIN DESTINATION STUDY

A survey of 14,000 passengers was conducted over a two-week period at all major airports to document air travel patterns in Alberta. Market information, which included information on multi-mode journeys, was provided to the air carrier industry serving the province. Further analysis of the data base was undertaken in response to industry requests. The data base will be updated in the future.

WESTERN TRANSCONTINENTAL RAILWAY PASSENGER SERVICE

A comprehensive study was conducted on the prospects of modernizing western transcontinental railway passenger services. It addressed such issues as: service design, marketing and management requirements, and the most efficient and economical means of modernizing rolling stock.

Other work included preparing an assessment of possible new surface transportation services in conjunction with tourism development (done with Travel Alberta); and assisting in the formulation of a new national railway passenger services policy.

Alberta Agency for International Development

Alberta's support for international development is intended to help those who help themselves. People to whom aid is provided play a major role in deciding how best that aid can be used, and what development activities will take place in their community or village.

Whether funds are provided for irrigation system piping, tools for a carpentry shop, stock for a cattle herd or for advisors for a village farming project, aid is provided in many forms.

It may mean providing materials and trainers so that people may learn new and useful skills; or it may mean providing technical advisors and qualified teachers to assist a village in planning a cooperative that will benefit all those who live in the area.

In its grant program, the Alberta Agency for International Development collaborates with Non-Governmental Organizations (NGOs). This collaboration dates from 1973, when the Government of Alberta created a program to support NGO initiatives in international cooperation. Over the years the NGOs — religious groups, development agencies, service clubs, women's and youth organizations — have established a reputation for effective, low-cost development projects which can respond quickly to local needs and promote self-reliance.

Priority is given to projects that will develop human resources, create jobs and encourage the use of local resources. During the reporting period, NGOs assisted farmers to learn new agricultural techniques, sent food and medical supplies, provided water systems, taught reading and writing skills, and inoculated children against disease.

The amount of grant money available to an NGO is set annually at the beginning of its fiscal year. The amount is based on the net amount of money that NGO raised on its own behalf in Alberta during the previous completed fiscal year.

Once an NGO's total grant level is set, it may submit projects to the agency for approval. When a project is approved, the NGO receives financial assistance to supplement the amount it is contributing to the project from its privately raised resources. The NGO must report to the agency on its use of the financial assistance received.

One of the major activities undertaken during the reporting period was assistance to African countries suffering from food shortages. Over $1 million was contributed for famine relief and food production projects in Ethiopia, and almost $4 million was contributed to other countries.

A once-only contribution of $3 million was made to commemorate the visit of Pope John Paul II to Alberta.

In total, 469 projects received assistance, and 83 NGOs participated in the program. This latter figure is an increase of nine over the previous reporting period. Projects were conducted in 85 less developed nations and in total the Government of Alberta contributed over $9 million to assist these countries. A listing of contributions can be found in the Statistical Appendix.

Finance and Administration Division

Administration Branch

Finance Branch

Personnel Branch

Communication Branch

Special Projects Branch

Finance and Administration Division

The Finance and Administration Division provides support to the department's program divisions. This responsibility is undertaken by the division's five branches: Administration, Finance, Personnel, Communication and Special Projects.

The division is also responsible for coordinating the department's legal requirements. Legal work related to contracts and legal opinions is sent to the Alberta Attorney General, where it is assigned to a lawyer for action.

Reports from the five branches are published on this and following pages. Financial statements of the department's budgetary estimates and expenditures are shown in the Statistical Appendix.

Administration Branch

The Administration Branch provides the following services to the department: management of departmental electronic data processing facilities and resources, management of word processing systems, records management, library services, and office support systems and services.

During the reporting period, the branch undertook the installation of a shared-resource word processing system in the department and the Ministers' offices. Throughout the year, word processing and data processing applications were developed and implemented on a department-wide basis.

Further applications were found for the Company Information System, which for the first time was used in conjunction with the preparation of the Manufacturers' Index.

In the area of records management, the branch disposed of 748 cubic feet of inactive/semi-active records. A program to promote records management and handling procedures was conducted.

Library use increased during the reporting period. Over the previous year's figures, the number of items borrowed increased by three per cent, and the number of interlibrary loans by 20 per cent. A number of new databases were added to the Library computer database search service, and search activity increased by 22 per cent.

The Office Support Services group was responsible for all activity related to the department's move to Sterling Place from Pacific Plaza, in December 1984. In addition, the group was involved in the upgrading of the department's audio-visual resources. Modern audio-visual presentation facilities were installed in the executive boardroom-conference rooms.

The process of computerizing all stock and inventory control was begun during the reporting period.

Finance Branch

The Finance Branch provides centralized accounting, budgeting and legal support services to the department. The branch also participates in short-and long-term financial planning.

Its functions are to establish and maintain departmental accounting and budgetary records. The branch prepares annual departmental budgets, monitors expenditures throughout the fiscal year, and obtains additional or alternative sources of funding when the need arises.

Branch functions also include processing grants, employee expense accounts and vendor accounts for payment, and ensuring compliance with the Financial Administration Act and other government acts and regulations. The branch coordinates the department's legal requirements by providing guidance and arranging for contracts and agreements.

The branch develops and implements internal controls which conform to accepted accounting practices; and provides recommendations and implements financial policies and procedures established by the department's management committee.

Significant activities during the reporting period included the preparation and approval of seven special warrants.

A warrant of $120,000 was approved to provide for preparatory activities associated with establishing an Alberta inland port and container distribution system.

Additional funding of $102,100 was required for participation in the Great Trade Show and Cultural Exhibition of China.

Additional funds of $427,000 were required to support Alberta companies in developing export markets for their goods and services.

A warrant of $2 million was approved to assist General Systems Research Ltd. in financing a program to manufacture laser cutting systems and to carry out a related research and development program.

A warrant of $300,000 was approved to assist Global Thermoelectric Power Systems Ltd. in financing research and development related to thermoelectric generation.

Funds of $2,605,000 acquired time credits on the University of Calgary's Cyber 205 supercomputer.

And a warrant of $3 million was approved to increase Alberta's contribution to non-government organizations for international development projects, in commemoration of the visit of Pope John Paul II to Alberta.

Personnel Branch

The Personnel Branch provides advice and assistance at all levels of the department in the best use of human resources. Assistance is also provided to ensure that all statutory and procedural requirements of government are met.

The branch's areas of responsibility include position classification, recruitment and selection, manpower use, salary and wage administration, organization and staff development, employee counselling and performance appraisal systems. The human resource consulting function has continued to increase in response to the changing needs and roles of staff as downsizing and other changes in the work environment take effect.

At the end of the reporting period, the department's staff establishment was 223.5 person-years, broken down as follows.

	person-years
Permanent and non-permanent salaried positions	206
Wages	8.5
Contracts	13
	227.5
Vacancy Discount	(4)
	223.5

Major activities during the reporting period included providing advice and assistance to management on downsizing and re-deployment of staff. The department's permanent position establishment was reduced by two per cent at the end of the fiscal year.

The branch reviewed and processed 69 position classification requests; provided recommendations on 163 requests for sponsored staff development; and managed 38 recruitments for professional and support staff, as well as entry level clerical and temporary recruitments.

Branch staff were also involved in providing advice and assistance to management and supervisory staff on employee relations matters., and in administering salary and wage operations including the preparation and processing of all payroll documentation.

The branch developed or coordinated several in-house training and development programs to meet specialized needs, and assisted in the development and implementation of a major restructuring of the department.

Communication Branch

The Communication Branch plays an important role in assisting Alberta Economic Development to meet its goals and objectives. The branch provides a wide range of public relations services, including communication assistance and consulting, and organization of ongoing media relations, such as arrangements for news briefings, interviews, news releases and responses to news media inquiries. The branch also provides speaking notes and speeches for Ministers; and coordinates all department advertising needs, all audio-visual requirements, including film, slide and videotape presentations; and the production of publications, reports, folders, brochures and other print materials.

During the reporting period, the branch provided communication assistance to Alberta participation in both domestic and international trade shows and outgoing trade missions. Individual information packages were prepared for each show and mission, containing data on individuals and companies participating in the event.

Other major activities during the reporting period included the coordination of the official opening of the Prince Rupert Grain Terminal in Prince Rupert, B.C. The branch was also involved in updating major government publications, as part of the department's two-year print cycle. New publications included the 1984 edition of the Industry and Resources Manual.

A major study was prepared and produced for the Canada-Japan Businessmen's Conference, which took place after the end of the reporting period. An Economic Analysis: The Spirit of Cooperation, Japan and Alberta was printed in English and Japanese for the conference, held for the first time in Alberta.

Special Projects Branch

The activities of the Special Projects Branch are directed toward satisfying the legitimate financial needs of Alberta companies; and the creation of a healthy environment to encourage and promote the growth of industrial activity in Alberta.

The branch provides support services to the department through conducting broad and in-depth examinations of business, with particular reference to the financial needs of large and special projects.

Special Projects makes recommendations in response to requests for government financial assistance. In cases where government financing is approved, the branch is involved in negotiations of financial agreements and in the implementation of approved assistance. During the reporting period, the branch carried out economic appraisals on 67 requests from individual businesses for financial assistance.

The branch also makes recommendations to government on policies and programs designed to stimulate development of specific sectors of the business community, and cooperates with other government departments in the formation of government financing programs.

During the reporting period several major projects were undertaken. The branch negotiated a detailed agreement for funding for a company developing a supercomputer.

The branch administered the policy that provides loan guarantees for export orders. During the year, 12 such guarantees were approved. The guarantees totalled $24 million, and resulted in sales of about $100 million for Alberta companies.

An Alberta company, whose activities are in the energy field, received funding of $3

million. This funding, whose authorization was obtained by Special Projects, allowed the company to compete for a large contract with the United States military.

The branch was involved in a proposal for a cost-sharing program with private industry. The program included feasibility studies expected to lead to export orders.

Monitoring of existing agreements and programs continued, in order to make necessary adjustments when changing circumstances required them.

Statistical Appendix

Alberta Economic Development
Budget Estimates, Special Warrants and Expenditures
Classified by Vote and Sub-Program

	1984-85 Estimates	Special Warrants	Fund Transfers	Total Authorized	Expenditures For The Years Ending March 31 1985(a)	March 31 1984(b)
VOTE 1 Economic Development and International Trade						
Sub-Program 1: Program Support						
Minister's Office — Economic Development	270,300	—	-19,000	251,300	247,409	253,711
Minister's Office — International Trade	351,600	—	-69,500	282,100	277,920	281,561
Deputy's Office — Planning & Services	189,400	—	23,000	212,400	205,589	199,126
Deputy's Office — Development & Trade	275,800	—	-16,000	259,800	251,778	244,812
Finance & Administration	2,083,900	—	269,500	2,353,400	2,323,950	2,310,012
Total Sub-Program 1	**3,171,000**	**—**	**188,000**	**3,359,000**	**3,306,647**	**3,289,222**
Sub-Program 2: Planning & Services						
Assistant Deputy's Office — Planning & Services	153,400	—	—	153,400	146,908	135,525
Transportation Services Branch	2,829,200	120,000	-167,900	2,781,300	2,738,885	2,383,313
Strategic Planning Branch	1,906,500	—	-83,300	1,823,200	1,821,140	1,869,731
Total Sub-Program 2	**4,889,100**	**120,000**	**-251,200**	**4,757,900**	**4,706,933**	**4,388,569**
Sub-Program 3: Development of Industrial Programs						
Assistant Deputy's Office — Development & Trade	151,200	—	-10,700	140,500	129,324	123,703
Industry Development Branch	3,429,200	—	183,600	3,612,800	3,588,190	3,233,597
Manufacturing Industries Branch	1,815,400	—	151,900	1,967,300	1,927,721	1,867,281
Total Sub-Program 3	**5,395,800**	**—**	**324,800**	**5,720,600**	**5,645,235**	**5,224,581**
Sub-Program 4: International Trade						
International Trade Branch	4,649,200	529,100	477,600	5,655,900	5,611,475	4,840,223
International Operations	739,200	—	-739,200	—	—	—
Total Sub-Program 4	**5,388,400**	**529,100**	**-261,600**	**5,655,900**	**5,611,475**	**4,840,223**
TOTAL VOTE 1	**18,844,300**	**649,100**	**—**	**19,493,400**	**19,270,289**	**17,742,595**

	1984-85 Estimates	Special Warrants	Fund Transfers	Total Authorized	Expenditures For The Years Ending March 31 1985(a)	March 31 1984(b)
VOTE 2 Financing — Economic Development Projects						
Sub-Program 1: Railway Relocation						
Lethbridge Project	—	—	—	—	—	—
Total Sub-Program 1	—	—	—	—	—	—
Sub-Program 2: Grain Handling/Storage Facilities						
Prince Rupert Grain Terminal	53,530,000	—	-1,250,000	52,280,000	45,826,499	43,049,491
Total Sub-Program 2	**53,530,000**	—	**-1,250,000**	**52,280,000**	**45,826,499**	**43,049,491**
Sub-Program 3: High Technology						
Medical & Pharmaceutical	2,150,000	—	—	2,150,000	1,580,000	1,594,230
Energy	2,570,000	300,000	—	2,870,000	2,645,498	2,030,769
Laser Technology	—	2,000,000	—	2,000,000	1,500,000	1,000,000
Centre for Frontier Engineering Research	376,000	—	—	376,000	376,000	—
Computer Technology	—	2,605,000	1,250,000	3,855,000	3,855,000	—
Total Sub-Program 3	**5,096,000**	**4,905,000**	**1,250,000**	**11,251,000**	**9,956,498**	**4,624,999**
TOTAL VOTE 2	**58,626,000**	**4,905,000**	—	**63,531,000**	**55,782,997**	**47,674,490**
VOTE 3 International Assistance						
Administrative Support	106,900	—	—	106,900	100,971	102,213
Financial Assistance	7,000,000	3,000,000	—	10,000,000	9,994,285	6,998,889
TOTAL VOTE 3	**7,106,900**	**3,000,000**	—	**10,106,900**	**10,095,256**	**7,101,102**
TOTAL DEPARTMENT	**84,577,200**	**8,554,100**	—	**93,131,300**	**85,148,542**	**72,518,187**

(a) Unaudited

(b) The 1984 figures have been restated where necessary to conform to the 1985 presentation.

Alberta Agency for International Development's Contribution to the Non-Governmental Organizations

	1982-83		1983-84		1984-85	
	PROJECTS	$	PROJECTS	$	PROJECTS	$
Aga Khan Foundation Canada	3	50,000	5	446,221	4	513,000
Alberta Conference of the Seventh Day Adventist Church (SAWS)	7	166,162	5	136,235	18	129,447
Alberta Teachers' Association	3	25,000	3	21,500	2.	19,650
Anglican Primate's World Relief and Development Fund	4	64,000	5	60,024	5	62,583
Baptist Union of Western Canada	2	47,000	2	50,786	1	50,000
Bob Hoover Evangelistical Association, Inc.					1	1,017
Calgary Inter-Faith Community Action Association	1	17,350			2	5,683
Camrose One World Institute			3	3,737	4	2,540
Canada World Youth	1	24,000				
Canadian Catholic Organization for Development and Peace (CCODP)	48	262,425	54	321,547	55	377,159
Canadian Children's Foundation			1	10,780		
Canadian Crossroads International	3	16,000	2	10,986	3	16,000
Canadian Executive Service Overseas (CESO)	2	6,000	1	4,384	1	10,494
Canadian Hunger Foundation	1	44,000	1	13,560	3	167,607
Canadian Institute of Cultural Affairs	1	4,000	1	4,128	1	5,349
Canadian Jesuit Missions	2	39,750	2	38,841	2	49,739
Canadian Lutheran World Relief	15	345,480	16	254,015	20	326,085
Canadian Mission Board of the German Church of God					1	12,850
Canadian Organization for Development through Education (CODE)	3	129,000	1	25,729	4	59,110
Canadian Organization for Rehabilitation through Training (ORT)	1	112,000	1	52,669	2	121,330
Canadian Red Cross Society	4	95,240	2	41,043	1	35,739
Canadian Save the Children Fund (CanSave)	5	173,478	4	139,816	8	157,883
Canadian University Service Overseas (CUSO)	7	50,000	12	47,873	9	54,430
Canadian Vision Caravan	1	4,500	1	16,375	3	26,827
Cardinal Leger and His Endeavours	1	2,500	4	105,124	4	61,093
CARE Canada	6	350,725	1	127,778	2	197,430
Change for Children Association of Alberta	1	2,956	5	51,800	12	77,125
Children of Islamic Nations (COIN)			1	1,250	1	3,250
Christian Reformed World Relief Committee of Canada	4	267,250	3	192,507	3	343,000
Church of the Nazarene	2	45,000	6	77,750	4	68,600
Compassion of Canada	6	109,500	2	45,159	7	195,628

Alberta Agency for International Development's Contribution to the Non-Governmental Organizations

	1982-83		1983-84		1984-85	
	PROJECTS	$	PROJECTS	$	PROJECTS	$
Co-operative Development Foundation	3	14,164	1	1,350	7	5,419
Council of India Societies of Edmonton					1	36,598
Ealam Tamil Association	1	2,600				
The Edmonton Gospel Temple					1	23,429
The Edmonton Korean Association					1	3,302
Elkay's Overseas Student Aid Society	1	1,875	1	1,550		
Emmanuel Relief & Rehabilitation International	1	19,000	1	20,339	3	97,189
Fame Perco Institute	1	3,500	1	2,332	1	4,753
Food for the Hungry/Canada	9	89,000	8	210,864	7	205,139
Foster Parents Plan of Canada	6	970,000	6	1,052,279	9	1,437,224
Friends of the Lord's Ranch			1	4,713	1	1,250
Frontiers Foundation Inc.	3	49,000	1	19,918	1	14,500
Gujarati Mandal of Calgary					1	2,500
Help the Aged					7	24,926
Horizons of Friendship	1	14,250	1	39,793	4	52,686
Inter Pares	1	35,000	1	15,763	3	25,215
International Child Care (Canada) Inc.	1	9,750	1	6,267	1	5,970
International Sound Foundation Society			1	880		
L'Arche Association of Edmonton	1	1,500	1	6,267	2	2,103
TLM The Leprosy Mission of Edmonton	2	44,700			2	46,000
MATCH International Centre	6	7,500	6	8,071	8	9,592
Mennonite Central Committee (MCC)	9	332,894	10	317,958	11	596,174
Mennonite Economic Development Association (MEDA)	1	4,212				
Mission Aviation Fellowship of Canada	2	41,500			2	40,695
Mission Possible (Canada)	1	3,000	1	8,107	1	11,424
Moravian Mission Development Fund			1	7,000	1	5,900
Mother Teresa Habitat Institute of Alberta	3	21,000	1	28,001		
Oblate Fathers	1	3,750				
Olds College Alumni Association			1	500		
Operation Eyesight Universal	1	223,000	4	184,107	12	362,145
Oscar Romero Catholic Missionary Society of Edmonton					1	1,350
OXFAM Canada	6	25,000	11	35,665	13	43,093
The PATH Foundation	1	9,000				
The Pentecostal Assemblies of Canada	8	476,688	8	353,758	9	358,717
Plenty Canada	1	1,625	4	18,493	4	18,923

Alberta Agency for International Development's Contribution to the Non-Governmental Organizations

	1982-83		1983-84		1984-85	
	PROJECTS	$	PROJECTS	$	PROJECTS	$
The Presbyterian Church in Canada	5	20,625	5	30,320	6	57,685
Project Concern Alberta	1	17,963	2	21,147		
Pueblito Canada, Inc.	2	19,475	2	12,173	3	14,563
Rotary District 536 Development Society	3	29,600	3	7,300	4	28,000
Sahakarini Inter-World Education and Development Association	2	8,089	4	19,300	2	14,750
The Salvation Army	2	20,000	3	43,261	3	49,910
Save A Family Plan	2	36,750	1	37,250	2	48,892
Shastri Indo-Canadian Institute	1	15,000	1	8,241	1	15,915
Sir Edmund Hillary Foundation	1	3,500				
Sisters of Charity of Providence of Western Canada					3	32,500
Sisters of Holy Cross					1	23,200
Solbrekken Evangelistical Association of Canada					2	18,894
St. Joseph Save the Children Club	8	15,635	11	34,387	9	18,815
Stirling Vietnamese Refugee Aid Organization (SVRAO)					1	1,500
SIM Canada	11	204,000	6	165,282	7	262,179
UNICEF Canada	9	583,900	8	321,708	11	501,500
USC Canada	10	182,000	19	136,260	9	185,570
The United Church of Canada (DWO)	12	132,000	16	146,000	9	215,275
The University of Alberta			9	14,804	6	33,477
The University of Calgary	1	24,000	1	40,416	1	44,690
The University of Lethbridge					1	25,000
World Concern Canada Association	1	7,500	1	34,749	5	102,730
World Missions for Jesus Canada	1	10,000	1	22,622	2	25,827
World Vision Canada	27	553,685	146	1,063,513	69	1,287,262
Wycliffe Bible Translators of Canada, Inc.	5	241,250	5	168,500	8	364,000
Y.M.C.A. — Alberta Region	1	7,500	1	10,000	2	15,000
Y.M.C.A. of Edmonton	1	2,500	3	5,400	2	10,000
Y.W.C.A.	1	5,767	2	5,483	2	6,831
Youth With A Mission Society	1	1,125	1	4,012	1	3,456
Zonta Club of Edmonton	1	750	1	1,169		
TOTAL	**314**	**6,999,940**	**468**	**6,998,889**	**469**	**9,994,285**